

**EXHIBIT 5**

CITY OF OAKLAND



CITY HALL • ONE CITY HALL PLAZA • OAKLAND, CALIFORNIA 94612

Office of City Manager  
Robert C. Bobb  
City Manager

(510) 238-3301  
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August 11, 1998

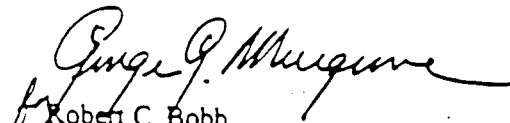
Mr. Jeff Jones  
Executive Director  
Oakland Cannabis Buyers' Cooperative  
1755 Broadway, Suite 300  
Oakland, CA 94612

Dear Mr. Jones:

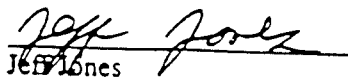
Pursuant to Chapter 8.42 of the Oakland Municipal Code, the City hereby designates the Oakland Cannabis Buyers Club to administer the City's Medical Cannabis Distribution Program. The designation is subject to the cooperative's agreement to comply with the terms and conditions attached hereto as Exhibit A which hereby are incorporated by reference in this letter as if set forth in full herein.

The designation shall be effective upon the Oakland Cannabis Buyers' Cooperative's acceptance and agreement to the terms and conditions in Exhibit A. Please confirm the Oakland Cannabis Buyers' Cooperative's agreement to comply with the terms and conditions in Exhibit A by signing below.

Very truly yours,

  
Robert C. Bobb  
City Manager

SO AGREED:

  
Jeff Jones  
Executive Director  
Oakland Cannabis Buyers' Cooperative

Date. 8/12/98

## EXHIBIT A<sup>1</sup>

WHEREAS, on July 28, 1998 the City of Oakland ("City") added Chapter 8.42 of the Oakland Municipal Code entitled, "Medical Cannabis" ("Chapter 8.42"); and

WHEREAS, Chapter 8.42 establishes a City Medical Cannabis Distribution Program to be administered by medical cannabis provider associations designated by the City Manager; and

WHEREAS, consistent with the intent of Proposition 215 (the Compassionate Use Act of 1996, Health and Safety Code section 11362.5), the purpose of the City's program is to ensure that seriously ill Californians have the right to obtain and use marijuana for medical purposes when such medical use is recommended by a physician; and

WHEREAS, designation of one or more medical cannabis provider associations to administer a well-organized, safe medical cannabis distribution program in accordance with the requirements of Health and Safety Code section 11362.5 will preserve public health and safety by discouraging a market of street narcotic peddlers who desire to prey upon Oakland's ill residents whose painful symptoms are alleviated by ingestion of cannabis; and

WHEREAS, the City has designated the Oakland Cannabis Buyers' Cooperative ("Medical Cannabis Provider Association") to distribute cannabis to patients and primary caregivers who satisfy the requirements of Health and Safety Code section 11362.5

NOW THEREFORE, in consideration of the City's designation of Medical Cannabis Provider Association by the City Manager to administer the City's medical cannabis distribution program, the association agrees to comply with the following terms and conditions:

1. Compliance with Applicable Laws and Administrative Procedures

Medical Cannabis Provider Association agrees to comply with the requirements of Health and Safety Code section 11362.5, Chapter 8.42 of the Oakland Municipal Code and to comply with the administrative procedures and requirements established by the City as they may be amended from time to time.

2. Indemnification

The Medical Cannabis Provider Association agrees to save, indemnify, defend and hold harmless, City, its Councilmembers, directors, officers, agents and employees from any and all claims, losses and expenses (including reasonable attorney's fees) or liability on account of damage of property or injury to or death of persons accruing or resulting to Medical Cannabis Provider Association, Medical Cannabis Provider Association's directors, agents, employees, contractors, material persons, laborers and any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the Medical Cannabis Provider Association's designation as the City's agent to administer and the Medical Cannabis Provider Association's administration of the City's Medical Cannabis Distribution Program; and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged in connection with the Medical Cannabis Provider Association's administration of the City's Medical Cannabis Distribution Program as the City's designee.

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<sup>1</sup> This document is Exhibit A to the August 11, 1998 letter from the City Manager designating Oakland Cannabis Buyers' Cooperative to administer the City's Medical Cannabis Distribution Program.

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3. Insurance

Medical Cannabis Provider Association shall procure and keep in force for the duration of its designation as a Medical Cannabis Provider Association, at Medical Cannabis Provider Association's own cost and expense, such policies of insurance or certificates or binders as required by the City's Risk Manager to represent that coverage is in place with companies doing business in California and acceptable to City. Medical Cannabis Provider Association shall provide City with copies of all insurance policies. Medical Cannabis Provider Association shall, "pending acceptance" of insurance, supply and furnish City with information, such as certificates or binders, showing such insurance policies are in force with the written undertaking of each insurer shall give City thirty (30) days prior written notice of any cancellation, termination or material change of such insurance coverage. The insurance shall at a minimum include all that is required by the City's Risk Manager in accordance with Section 4 of Chapter 8.42 of the Oakland Municipal Code.

In the case of the breach of any of the insurance provisions of this Agreement, City may, at City's option, take out and maintain at the expense of Medical Cannabis Provider Association, such insurance in the name of Medical Cannabis Provider Association as is required pursuant to this Agreement, and may deduct the cost of taking out and maintaining such insurance from any sums which may be found or become due to Medical Cannabis Provider Association under this Agreement.

4. Audit

Medical Cannabis Provider Association shall permit City and its authorized representatives to have access to Medical Cannabis Provider Association's books, records, accounts and any and all data relevant to this Agreement and/or the association's administration of the City's Medical Cannabis Distribution Program, for the purpose of making an audit or examination for the period commencing on the date the Medical Cannabis Provider Association was designated by the City Manager to administer the City's Medical Cannabis Distribution Program and ending four years after the designation is revoked. Any audit or examination under this section shall be deemed privileged and confidential in accordance with Section 6 of Chapter 8.42 of the Oakland Municipal Code. All such audits or examinations shall be carried out by appropriate personnel (e.g. physicians, nurses, accountants, bookkeepers and auditors) for the sole purpose of determining designee's compliance with the provisions of this exhibit.

5. Revocation of Designation

The Medical Cannabis Provider Association understands and agrees that the City may revoke the designation of the association to administer the City's Medical Cannabis Distribution Program at any time based on the City's sole judgment and discretion.

6. Reports, Information

Medical Cannabis Provider Association shall provide all reports and information reasonably requested by the City and shall immediately advise the City Manager of any complaints communicated to Medical Cannabis Provider Association, its directors, agents and/or employees and of any contacts by law enforcement personnel or agencies.

7. Standard of Performance

Medical Cannabis Provider Association shall administer the City's Medical Cannabis Distribution Program in accordance with the requirements of Health and Safety Code section 11362.5, the City's administrative procedures and requirements as they may be amended from time to time, the protocols, uniform conditions, rules and regulations and procedures appended hereto as Appendix 1.

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8. Access to Premises, Inventory, Supplies, etc.

Medical Cannabis Provider Association shall provide the City Manager, or a member of his staff, access to the premises of its operations for the purpose of inspections, quality control investigations and monitoring with or without notice during normal hours of operation. Nothing in this section shall be construed to substitute for the requirements of reasonable suspicion and or probable cause for law enforcement action.

9. Effective Date

The terms and conditions set forth herein shall be effective and binding upon the Medical Cannabis Provider Association as of the date that the Medical Cannabis Provider Association is designated by the City as its agent to administer the City's Medical Cannabis Distribution Program and shall remain in full force and effect until such designation is revoked by the City or by operation of law.

10. Payment of Income Taxes

Medical Cannabis Provider Association shall be responsible for paying, when due, all income taxes, including estimated taxes, incurred as a result of the administration of the City's Medical Cannabis Distribution Program. Medical Marijuana Provider Association agrees to indemnify City for any claims, costs, losses, fees, penalties, interest or damages suffered by City resulting from its failure to comply with this provision.

11. Non-discrimination

Medical Cannabis Provider Association shall not discriminate or permit discrimination against any person or group of persons in any manner prohibited by federal, state or local laws. Medical Cannabis Provider Association shall not discriminate against any employee, applicant, patient, primary caregiver, contractor, supplier or other person supplying goods or services because of gender, sexual orientation, race, creed, color, national origin, Acquired-immune Deficiency Syndrome, (AIDS), AIDS-Related Complex, or disability.

12. Business Tax Certificate

Medical Cannabis Provider Association shall obtain and provide proof of a valid City business tax certificate. Said certificate must remain valid for the period during which the association is designated by the City Manager to administer the City's Medical Cannabis Distribution Program.

13. Independent Contractor

It is expressly agreed that in administering the City's Medical Cannabis Distribution Program pursuant to the City's designation under Chapter 8.42 of the Oakland Municipal Code, the Medical Cannabis Provider Association is not an employee of the City and is an independent contractor. Medical Cannabis Provider Association has and shall retain the right to exercise full control and supervision over the employment, direction, compensation and discharge of all persons assisting Medical Cannabis Provider Association in administering the City's Medical Cannabis Distribution Program and shall be solely responsible for all matters relating to the payment of its employees, including compliance with social security, withholding and all other regulations governing such matters, and shall be solely responsible for its own acts and those of its subordinates and employees.

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14. Notice to the City

Medical Cannabis Provider Association acknowledges and understands that the City's designation of the association is based on its adherence to the protocols, quality control procedures and uniform conditions appended hereto as Appendix 1. Further, Medical Cannabis Provider Association acknowledges and understands that the City's designation of the association is based in part on the City's knowledge of the current officers and directors of the association. Medical Cannabis Provider Association agrees that it will not change its protocols, procedures, rules and regulations and/or uniform conditions, appended hereto as Appendix 1, without obtaining the prior written consent of the City. Further the Medical Cannabis Provider Association agrees that it will immediately notify the City of any change in the officers and/or directors of the association, its articles of incorporation, bylaws and/or membership fees.

15. Assignment

Medical Cannabis Provider Association shall not assign or otherwise transfer any rights, duties, obligations or interest in this agreement or arising hereunder to any person, person, entity or entities whatsoever without the prior written consent of the City and any attempt to assign or transfer without such prior written consent shall be void. Consent to any single assignment or transfer shall not constitute consent to any further assignment or transfer.

16. Entire Agreement

The terms and conditions of this agreement represent the entire agreement of the parties and supersede any prior agreements of the parties.

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## APPENDIX 1

MISSION STATEMENT

OAKLAND CANNABIS BUYERS' COOPERATIVE JOB DESCRIPTIONS

1. ADMINISTRATIVE DEPARTMENT
2. INTAKE DEPARTMENT
3. GREEN ROOM AND MEMBER ROOM DEPARTMENT

OAKLAND CANNABIS BUYERS' COOPERATIVE CAREGIVER POLICY

OAKLAND CANNABIS BUYERS' COOPERATIVE QUALITY ASSURANCE PROGRAM

OAKLAND CANNABIS BUYERS' COOPERATIVE SUPPLIER INITIAL QUESTIONNAIRE

1. QUESTIONNAIRE
2. NOT ACCEPTABLE CHEMICALS AND PESTICIDES
3. ACCEPTABLE CHEMICALS AND PESTICIDES

OAKLAND CANNABIS BUYERS' COOPERATIVE QUALITY ASSURANCE CONTRACT

OAKLAND CANNABIS BUYERS' COOPERATIVE PEST CONTROL MEASURES

OAKLAND CANNABIS BUYERS' COOPERATIVE RULES AND POLICIES FOR MEMBERS

OAKLAND CANNABIS BUYERS' COOPERATIVE MEMBER ROOM PROCEDURES

1. OPENING PROCEDURES
2. MEMBER TRANSACTIONS
3. CLOSING PROCEDURES

WEIGHING ROOM STANDARD PROCEDURES

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## Mission Statement

The goal of the Oakland Cannabis Buyers' Cooperative (OCBC) is to provide seriously ill patients with a safe and reliable source of medical cannabis products and plants. Our cooperative is open to all patients with a verifiable letter of diagnosis and recommendation or approval for medical cannabis use.

The City of Oakland has enacted an Ordinance to provide immunity for medical cannabis provider associations so that patients can safely obtain their medicine. The Cooperative is dedicated to reducing the harm these patients encounter due to the prohibition of cannabis. This includes alleviating the fear of arrest, as well as negating problems associated with purchasing cannabis on the illicit market.

OCBC's headquarters is a multi-faceted facility, accessible to people with disabilities. We provide a professional atmosphere for patients to procure cannabis, with trained member advocates on hand to offer advice and assistance. We also offer self-help services such as support groups for a wide variety of medical conditions, massage therapy and cultivation meetings to teach Members how to grow their own medicine. The Cooperative once a month has a buffet dinner for all Members and caregivers. Seasonally the Cooperative is involved with activities such as Softball and Bowling. In addition, OCBC provides information on a variety of topics, including AIDS prevention and treatment, safe sex, and cannabis reform in general.

The Oakland CBC currently operates under the auspices of California Proposition 215 now Health and Safety Code Section 11362.5 and Oakland City Council Resolution Numbered 72379 C.M.S. and 72516 C.M.S.

Resolution 72516, passed in March 1996, makes the enforcement of medical cannabis laws the lowest priority for the City of Oakland. Furthermore, the City has appointed a working group to oversee OCBC functions and to determine the most effective means to protect and assist seriously ill patients. Most recently the City has enacted Ordinance Number 12076 setting up a medical cannabis distribution program, which the Oakland Cannabis Buyers' Cooperative hopes to fulfill.



Oakland Cannabis  
Buyers' Cooperative



## Oakland Cannabis Buyers' Cooperative Job Descriptions

The Oakland Cannabis Buyers' Cooperative has three main departments:  
Administrative, Intake, Green Room and Member Room.

1. Administrative Department
  - A. Executive Director is responsible for all issues and responsibilities to allow the Cooperative to operate on a day to day basis.
  - B. Chief Financial Officer is responsible for all financial issues relating to the operation of the Cooperative.
  - C. Chief Operating Officer is responsible for the managing of the Green Room and Member Room.
  - D. Secretary keeps track of Board minutes and handles other correspondence, and manages security.
  - E. Cleaning crew is responsible for making sure the Cooperative office stays clean.
2. Intake Department
  - A. Head Nurse is responsible for making sure all intake information is correct and all potential Member's recommendations and approvals have been verified with their doctor's offices.
  - B. Assisting Nurse makes sure that all work has been done and has been verified correctly.
3. Green Room and Member Room Department
  - A. Managers keep track of inventory and handle staff and Member issues.
  - B. Budtenders assist Members in procuring cannabis from the OCBC.
  - C. Weighers are responsible for accurately weighing and accounting for all cannabis that is checked in and made available to Members.

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## Oakland Cannabis Buyers' Cooperative Caregiver Policy

The Cooperative currently has a limited caregiver policy for patients who are bedridden and wheelchair bound or has mobility problems and need assistance with their daily living. The staff nurse approves of caregivers by talking with the Member and reviewing their file to see if in each instance it is needed.

Each caregiver at the threshold of being approved has to provide us with valid form of California ID or License. The caregiver also has to complete a caregiver certificate form. Then the Member will sign it certifying the caregiver to provide care for them.

In order for the caregiver to access our facility the Member will have to:

- \*Place a phone call to the Cooperative verifying with the receptionist that they are sending in their caregiver. The Member needs to send in a note stating the specific nature of their needs and how much medicine they will need.
- \*Give their Member ID to the Caregiver or the caregiver has to have Caregiver ID from the Cooperative. In addition to this, we need to have a valid form of ID from the caregiver.
- \*The caregiver must stop at the front desk to turn in the Member's note and receive pass to be allowed into the Member only room.

# Oakland Cannabis Buyers' Cooperative Quality Assurance Program

Oakland Cannabis  
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The Oakland Cannabis Buyers' Cooperative ensures to the best of its ability that its medical cannabis products are free from molds, fungus, and pesticides. This is because only medical patients who are seriously ill or disabled and have qualified under Health and Safety Code Section 11362.5 have access to the Cooperative's service.

Our Cooperative develops trusting relationships with all the medical cannabis cultivators from whom we receive medicine. This secures that we are not receiving cannabis contaminated by the cultivators spraying with dangerous pesticides or using other chemicals that are not approved for horticultural food purpose.

We have an initial interview with all cultivators and ask questions about how the cannabis was grown and what methods are being used to control bugs. We also ask what other chemicals the cultivators are using to grow with and point out if any are unsafe for human consumption. If the cultivator doesn't qualify by our standards during the initial interview we communicate which cultivation practice must be corrected in order to cultivate cannabis for us.

We try to inspect every facility from which we get cannabis. The things we look for are as follows:

1. What type of insecticide is being used for pest control measures.
2. Other chemicals being used for growing plants.
3. How clean the facility is and if there are any fire, health or safety hazardous.

There are assigned staff members who are allowed to procure medical cannabis for the Members of the Cooperative. Experienced horticulturists that know what to look for and how to identify potentially contaminated cannabis flowers, which could have molds, fungus, or other problems, have trained the assigned staff members. Our policy is that if any of these problems are found we do not accept the product.

We inspect cannabis flowers that are brought into the Cooperative office by three methods:

1. We ask every cultivator a series of questions pertaining to the methods and chemicals used during cultivation.
2. We use a visual inspection, first by eye, throughout the whole sample in question and then look into the midsection of random cannabis flowers in search of molds and abnormal growth. Then, a high magnification jeweler's loupe is used to inspect random cannabis flowers for spores, molds, or abnormal growth.
3. We use a method of smelling the container or bag of cannabis for hints of abnormal smells. This method helps to identify any smell of potentially harmful molds and fungus.

OAKLAND CANNABIS BUYERS' COOPERATIVE, P.O. Box 70401 Oakland, CA 94612-0401  
Phone (510) 832-5346 Fax (510) 986-0534 Email [ocbc@rxcbc.org](mailto:ocbc@rxcbc.org) Web [www.rxcbc.org](http://www.rxcbc.org)

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If the Cooperative staff member finds or is notified of any problems with any medical cannabis product, the product is rejected.

The Cooperative inspects manufacturing facilities where medical cannabis preparations are manufactured. We look for fire, health or safety concerns and cleanliness of the facility. If any issues come up we communicate to the manufacturer that corrections must be made.

Manufactures of medical cannabis edibles and concentrations use standard recipes for preparing each product. Our policy is that if the manufacturer changes or alters this standard they notify us and we test the products before they can be made available at the Cooperative.



## Oakland Cannabis Buyers' Cooperative Supplier initial Questionnaire

The list of questions we ask each cultivator and supplier of the Cooperative helps us to identify if the medical cannabis is suitable for medical use. The questions have been designed in a way that we can assure our members safe and quality medical cannabis.

1. What kind of insects or pests have you seen in or around your garden?
2. What kind of pesticides do you use to control pest problems?
3. Have you seen molds or spores on your flowers, if so what is the description?
4. What kind of nutrients or chemicals have you used to complete your harvest?
5. Have you noticed abnormalities in your garden?
6. What kind of water do you use?

### Not Acceptable Chemicals and Pesticides:

Avid, Malithion, Only Ornamental approved chemicals, DDT, No Pest-Strip or similar type products.

Absolutely NO systemic type pesticides, this means pesticides that stay in the plant and do not biodegrade readily.

### Acceptable Chemicals and Pesticides:

Safer Brand Soap, Pyrethrums, Pepper Spray, Tobacco mixes, Food grade approved chemicals by the State Department of Agriculture.

Oakland Cannabis  
Buyers' Cooperative



## Oakland Cannabis Buyers' Cooperative Quality Assurance Contract

I agree that I have answered all of the questions in the 'Supplier Initial Questionnaire' truthfully and to the best of my knowledge. I understand if I change my current practices in providing medical cannabis products to the Oakland Cannabis Buyers' Cooperative I will notify them of these changes and address any questions at that time.

\_\_\_\_\_  
Supplier

\_\_\_\_\_  
Date

\_\_\_\_\_  
OCBC Staff

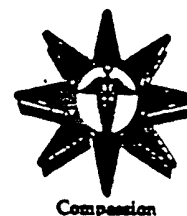
\_\_\_\_\_  
Date

OAKLAND CANNABIS BUYERS' COOPERATIVE, P.O. Box 70401 Oakland, CA 94612-0401  
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Oakland Cannabis  
Buyers' Cooperative



## Oakland Cannabis Buyers' Cooperative

### Pest Control Measures

The Oakland Cannabis Buyers Cooperative has an inspection process that is used for new cannabis clones and seedlings brought into the Cooperative for Members. We use a high magnification jeweler's loupe to inspect leaves and other areas of the plants before they are allowed to be checked into the Cooperative Member area. If bugs are found we ask the provider what pest control methods are being used and try to assist them in nontoxic and horticulture approved methods of pest control.

The Cooperative has a weekly, and as needed insect control program for cannabis plants. When bugs are found, all affected leaves are removed and properly disposed of. All remaining leaves are then treated with insecticide and are clearly marked. This means that we do not use the plant in manufacturing for three weeks or we destroy them. We have a policy not to use pyrethrum foggers on flowers. Safer Brand Insecticidal Soap Spray on a weekly basis and as needed to control and eliminate pests from Cooperative gardens. This soap is potassium salt and pyrethrum based and is approved for horticulture food crops by the State Department of Agriculture. Our main insecticide, pyrethrum, breaks down when exposed to light and oxygen. We never use chemicals that have not been horticulture food approved, because all the cannabis we are in contact with is used by seriously ill and disabled patients.

If we have an infestation of bugs we use pyrethrum foggers in closed rooms only after we have closed for business and all employees have left the building. These foggers have the ability to eliminate all insects in the areas that need attention by filling the air with tiny droplets of biodegradable pyrethrum. Early the next day we completely ventilate the area where the insecticide was used.

All methods of insect control using sprays and chemicals are discontinued two to three weeks prior to harvest of cannabis. This ensures the product will be free of insecticides prior to use by patients.



## Oakland Cannabis Buyers' Cooperative Rules and policies for Members

If prospective Members are unable to read these rules for any reason, the Cooperative will provide persons to read and explain them; we will assist non-English speaking Members by appointment.

- No in and out privileges allowed; one visit per day per Member / Caregiver.
- Purchases for people other than Cooperative Members are strictly prohibited.
- Members who wish to have their Caregiver pick-up medicine for them must make arrangements in advance.
- Please have Member ID card out and available until cannabis is received, this is for Members' safety and to keep the medicine secure.
- Being under the influence of illicit drugs or alcohol will NOT be tolerated in the Cooperative.
- The procurement of cannabis is limited to ¼ oz (7 grams) per day, unless the member lives outside of the Bay Area and makes not more than one visit to the cooperative per week. We are able to monitor these Members by our purchase tracking system.
- The Oakland Cannabis Buyers' Cooperative reserves the right to refuse service to any Member or Caregiver.
- No rude behavior will be tolerated towards staff or other Members.
- We operate in a smoke free building.
- Members should discourage friends from waiting for them immediately outside the front door of the Oakland CBC, as congestion on the sidewalk could be objectionable to some of our neighbors.
- Complaint Process Form:  
The Cooperative will institute a complaint form in duplicate with one copy going to the complainant and one copy going to the Cooperative.



Oakland Cannabis  
Buyers' Cooperative



## Oakland Cannabis Buyers' Cooperative Member Room Procedures

### Opening Procedures

Turn Computer on

- Set up computer

Open windows and turn ventilation units on.

Retrieve inventory from safe and distribute into proper bins at the budbar.

- Verify counts of inventory

- Check what additions to inventory need to be made.

Arrange samples according to price and selection.

Retrieve baked goods from cooler.

Check sundry stock for needed additions.

Clean glass on cases.

Put verified starting till in cash tray and into drawer.

Each morning the manager checks out medical cannabis to the individual weighers and bud inventory for bar from safe.

He then counts and places all cannabis to be used for that day in storage locker until it is ready for use at the restock of the bar.

### Member Transactions

As Members enter the member room and budbar area they must provide their membership card and California identification card to the guard at the door as well as to the budtender.

Members are then invited to smell and visually inspect the various grades of medical cannabis available that day.

After the visual inspection Members will request to see 3.5 or 1.0-gram packages of medicine. Members will then have a selection of 1 or 2 packages to select from.

*It is a policy at OCBC that Members may only purchase 1/4 ounce (7 grams) per day and only visit the Cooperative one time per day. If a Member lives in a outlying area he or she may purchase up to one and half ounces, provided that the next visit is not within a weeks time.*

*OCBC provides 1.5 grams of cannabis sativa as no cost medicine for Members who are unable to pay. Members may not purchase on the same day as receiving no cost medicine.*

The budtender enters transaction into the computer tracking system, identifying the transaction with the membership number. The transaction is then completed with cash, ATM, or VISA/MC/Discover.

### Closing Procedures

Our hours of operation are:

Monday and Fridays 11am - 7pm

Tuesday, Wednesday, and Thursdays 11am - 1pm and 5pm - 7pm

Saturdays 1pm - 4pm

At the close of each shift the budtender counts and verifies the inventory of medical cannabis and logs it on the shift inventory in and out form.

The ATM and VISA/MC/Discover batch reports, that give a total of all electronic receipts, are printed out. Next a sum query report is printed to show the totals of all goods dispensed that day in dollar amounts. Then a form is printed showing the totals of all cannabis that was dispensed during that shift. This form designates the type and amount of medical cannabis each member has purchased and allows for accurate tracking and balance of inventory.

All cash and electronic receipts are counted and recorded on proper forms for reconciliation.

All forms are then verified by the shift manager and budtender(s). Forms, cash, and all receipts are then delivered to business office manager, who verifies all revenue counts and submits General Ledger tickets for posting.

All inventory that was checked out is then verified and secured by the manager and placed back into a locked safe.



## Weighing Room Standard Procedures

1. Receive bulk cannabis from bar manager
  - A. Remove paperwork labeled Bud Inventory Sheet.
  - B. Weigh bulk on triple beam balance and subtract bag weight, write number on second line of breakdown section of bud inventory sheet (bulk weight quantity/grams). Write date on line one (date given to weigher), Initial line three (weighers signature).
  - C. Have staff member check weight and Initial line four (verifier's signature), Notify manager if weight differs significantly from first bulk weight figure. Manager will then research further to find the source of the differing amount.
2. Break down bulk cannabis into small quantities
  - A. Turn on electric scale and set mode to grams. Rezero scale with cannabis container on plate. Periodically rezero scale throughout weighing process.
  - B. Place bulk cannabis in metal tray. To prevent weight loss due to evaporation only remove small amounts of cannabis from bulk container at one time.
  - C. Using ziplock bags that have been prestickered with OCBC labels, weigh cannabis. We use two kinds of bags, sandwich and snack size. The sandwich baggies are used for eighths of an ounce (3.5 grams) and the snack baggies are used for single grams (1.0 grams). Once cannabis has been put into bags they are rolled up to remove excess air and then are sealed.
  - D. Unless otherwise specified by manager, make ten-gram bags for every 100 grams of bulk weight. The rest of remaining bulk is made into 3.5-gram bags.
  - E. When weighers have to leave weighing area, they secure cannabis currently checked out to them in a locked cabinet. If the weighing area is empty the room is also locked.
  - F. Weighers periodically check cannabis for mold, fungus and other contaminants. If anything abnormal is found the manager is notified. Manager will then eliminate any contaminated product.
  - G. Remove obvious unusable material (stems and seeds), set aside until paperwork is reconciled.
  - H. Any remaining bulk material left that weighs less than one gram should go into container marked "gratus"(no cost medicine).
3. Repackaging for bar use.
  - A. Count individual bags according to size. Place in one-gallon storage bags, fifteen units per bag for mid to high grade, twenty-five for sativas.
  - B. Label bags with appropriately colored labels for separating the different varieties of cannabis. Green is for most potent (high grade), white is for mild potency

(midgrade), orange is for sativa. Labels are filled out completely (bud description, date, quantity of units, and unit weight) and Initialed.

4. Reconcile Bud Inventory Sheet (B.I.S.).
  - A. Add up number of grams from labels of sealed one-gallon bags marked grams, and then note on B.I.S. Do the same for eighths and any amounts for procurement or for transfer in bulk between start and finish of weighing process.
  - B. Add together bulk remaining figure (Care Packages) to weight of unusable material (stems and seeds). Verify this with staff member and note on B.I.S. in space titled bulk remaining.
  - C. Convert number of eight bags to grams (number of units times 3.5), add to number of grams and bulk remaining figures to come up with total grams accounted for figure. Note on B.I.S.
  - D. Subtract total grams accounted for from total grams to start. Note this figure as total grams lost in bagging. Inform manager if this figure is excessive. Manager will then research and find the source of the differing amount.
  - E. Initial line marked "who weighed the bags."
5. Verifying cannabis packaged for Member procurement.
  - A. Once steps one through four are completed, another staff member must verify the count. Weigh room personal will assist each other with this task.
  - B. Count number of units in one-gallon bags, check against number on label. If figures agree squeeze excess air out of bag and seal with OCBC labels. Initial label. Repeat until all bags are verified and sealed.
  - C. Check number of bags against figures on B.I.S. If figures agree initial line marked "who verified the counts." If figures do not agree, refer to weigher for relabeling and/or correction of paperwork.
6. General Weigh Room Protocol
  - A. Clean up workstation after every shift.
  - B. Turn off all electrical devices (scales, air purifier, radio)
  - C. Lock and secure all doors to weigh room when leaving.